To the Members of the California State Senate:

I am returning Senate Bill 1525 without my signature.

As you know, this Administration is undertaking a comprehensive review of all state government functions through the California Performance Review (CPR). One of the recommendations from CPR is to place all direct health care services under the "Health Purchasing" Division while all prevention services would be placed under the "Public Health" Division. This bill would be inconsistent with that recommendation. I have directed the Secretary of the Health and Human Services Agency to review CPR's organizational recommendations closely. Pending completion of that review and input from my CPR Commission, I am not prepared to consolidate the two different program functions proposed by SB 1525 at this time.

In addition, the Department of Health Services is currently renegotiating the Family PACT waiver with the federal government. This bill and its expanded program delivery would complicate and perhaps jeopardize negotiations for continued federal funding.

However, I do feel that efforts to improve the efficiency and delivery of health care is important. Breast cancer is the most common cancer among women in California, regardless of race/ethnicity. This is a public health priority. *Cancer Detection Programs: Every Woman Counts* has laudable rates of breast and cervical cancer screening. Family PACT has been very successful in reducing unplanned pregnancies among lower income Californians and teen pregnancies in particular. This, too, is a public health priority. Therefore, I am instructing the Department of Health Services to investigate the consolidation of these two programs as well as opportunities to maximize federal funding.

For these reasons I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger